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**CONSUMER PROTECTION COMMISSION**  
**ANNUAL REPORT**  
**31<sup>ST</sup> MARCH, 2017 - 1<sup>ST</sup> APRIL, 2018**  
(AN AGENCY OF THE MINISTRY OF LABOUR)

### *Mission Statement*

To empower consumers and spread awareness about consumer rights, consumer protection and regulations towards building a well-informed community of discerning consumers.

Our mission is aimed at empowering the consumers of this nation, protecting them from fraudulent business practices.

We equip consumers with relevant, up-to-date and accurate information about their rights in a dynamic and market environment.

### *Vision Statement*

To be the catalyst for the promotion of consumerism in the Commonwealth of The Bahamas.



***An Educated Consumer  
Makes Wise  
Choices.***



**CONSUMER PROTECTION COMMISSION**  
Notes to Financial Statements

March 31, 2018

**12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Credit risk**

The Commission's credit risk is limited to the carrying amount of its cash at bank, other receivable and security deposit recognized at the statement of financial position date.

The Commission's management considers that the above financial asset is of good credit quality. None of the Commission's financial assets are secured by collateral or other credit enhancements.

**13. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments utilized by the Commission are limited to those types of financial assets and liabilities shown in the statement of financial position. The carrying amount of all financial instruments is considered to approximate their fair value given that they are primarily short-term in nature. Accordingly, the estimated fair value is not significantly different from the carrying value for each major category of the Commission's recorded assets and liabilities.

**14. CAPITAL MANAGEMENT AND PROCEDURES**

The Commission's objectives in managing its capital are to ensure the Commission's ability to continue as a going concern and to facilitate the payment of its expenses based on its approved budget.

The Commission is not exposed to a high level of risk since there are no existing borrowings. The Commission is not subject to externally imposed capital requirements.

**15. SUBSEQUENT EVENTS**

The Commission evaluated the impact of all subsequent events through May 11, 2018 which is the date the financial statements are available to be issued.

Members of the Commission have been working with the Ministry of Labour and National Insurance to propose amendments to the Act and a new Bill for Regulations. The Commission expects that these proposed amendments and bill will be brought to the Members of the Parliament of the Government of The Bahamas to be enacted and ratified during the fiscal year 2018-2019.

The Commission has plans to establish a representative officer and desk in each of the family islands starting with Grand Bahama, Abaco, Exuma, Eleuthera and Andros this fiscal year 2018-2019.

Independent Auditors' Report pages 1 through 3.

*Remarks*

**Senator The Hon. Dion Foulkes**  
*Minister of Labour*



The true character of a society is reflected not so much in how it treats the affluent, but most accurately in the treatment that is meted out to its indigents; senior citizens and most vulnerable members.

This is essentially what consumer protection is all about; a government stepping up to the plate and ensuring that the rights of all consumers are protected in a free market economy such as ours. Towards this end as Minister over the past year, I have directed that those entities under my ministerial portfolio, specifically Price Commission, Bahamas Bureau of Standards and Quality (BBSQ) and Consumer Protection Commission, form a tri-partite committee to explore synergies and ways to cooperate and collaborate so as to enhance and create greater levels of efficiencies, in the delivery of the consumer protection mandate of the Government of the Commonwealth of The Bahamas.

This mandate is predominantly encompassed in the Consumer Protection Act (2006), enabling legislation of the Consumer Protection Commission. It gives me great pleasure to report to the Bahamian people that this legislation is presently being reviewed, with a view to making amendments and introducing for the first time accompanying Regulations.

The primary purpose of this exercise is to enhance the redress mechanisms available to the Commission, as it seeks to address and resolve complaints brought before it by Bahamian and non-Bahamian consumers alike.

I am pleased with the progress made by the Commission over the past year, and take this opportunity to commend Chairman Philip Beneby, the Board of Commissioners and staff for a job well done.

## Remarks

**Philip J. Beneby MSc, MBA, JP**  
Chairman



The Consumer Protection Commission (CPC) is the agency of the Government of The Bahamas tasked primarily with consumer protection. It presently falls under the portfolio of Senator the Honourable Dion Foulkes, Minister of Labour.

It is a creature of statute established by the Consumer Protection Act 2006. This Act and the Unfair Terms in Consumer Contracts 2006 constitute the primary bastions of consumer protection legislation in The Bahamas.

In terms of legislative developments, it should be noted that the Consumer Protection Act is being reviewed for amendments via the Consumer Protection (Amendment) Bill, 2018. The original Act never had accompanying Regulations; in this regard we are pleased with the development and circulation of a draft Consumer Protection (Rights of Consumers) Regulations, 2017. These regulations will play a major role in the enforcement of the provisions of the Consumer Protection Act.

The CPC has also drafted a Trade Regulation and Competition Authority Bill, 2017. This Bill will establish and empower the Trade Regulation and Competition Authority (TRACA) as the regulator of the business sector and will review matters related to unfair competition, mergers and acquisitions.

### Areas of Concern

The Bahamas is a developing nation with a population of nearly 400,000. An archipelago with over 700

islands and hundreds of cays, our geographical makeup then naturally presents the challenge of ensuring that the same level of consumer protection that exists on New Providence is also available in our rural centres or Family Islands.

Consumer contracts, store policies, especially as they relate to exchange of goods, shoddy workmanship by trades persons, the general lack of performance bonds, and a general disregard for the basic rights of consumers, particularly the right to be informed and to choose, are all areas of concern as it relates to consumer protection in The Bahamas.

In an increasingly global environment, the proliferation of online shopping, e-Commerce and the digital marketplace, (highlighted in this year's World Consumer Rights Day activities) there is a need to ensure that there is adequate consumer protection for Bahamians operating in this new space. This would naturally involve and include addressing and offering redress for cross border complaints.

### Enforcement Powers

CPC accepts consumer complaints involving goods and services. Case statistics (2017-2018) reveal nineteen (19) open cases, twenty-three

## CONSUMER PROTECTION COMMISSION

Notes to Financial Statements

March 31, 2018

### 12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

The following table summarizes the maturity profile of the Commission's financial assets and liability based on contractual maturities as of March 31, 2018:

	2018				Total \$
	On Demand \$	Within 3 months \$	3 months to 1 year \$	No specific maturity \$	
<b>Financial assets</b>					
Cash	14,510	-	-	-	14,510
Prepayments and other assets	-	-	-	600	600
Security deposit	14,510	-	-	600	15,110
<b>Financial liability</b>					
Accounts payable and accrued expenses	-	-	6,597	-	6,597
<b>Liquidity gap</b>	14,510	-	(6,597)	600	8,513

	2017				Total \$
	On Demand \$	Within 3 months \$	3 months to 1 year \$	No specific maturity \$	
<b>Financial assets</b>					
Cash	-	-	-	23	23
Prepayments and other assets	-	-	-	600	600
Security deposit	-	-	-	623	623
<b>Financial liability</b>					
Bank overdraft	1,404	-	-	-	1,404
Accounts payable and accrued expenses	-	271	5,912	-	6,183
	1,404	271	5,912	-	7,587
<b>Liquidity gap</b>	(1,404)	(271)	(5,912)	623	(6,964)



CONSUMER PROTECTION COMMISSION

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10. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise: i) Government ministries and departments; ii) Government corporations and agencies; iii) entities controlled by the Government; iv) entities in which the Government has a significant ownership interest; and v) key management personnel.

The Commission’s balances and transactions with related parties consisted of the following:

Related parties		Relationship	2018 \$	2017 \$
<b>Balances</b>				
Department of Inland Revenue	Prepaid input VAT	Government department	7,160	5,445
<b>Transactions</b>				
Ministry of Finance	Government grants	Government ministry	190,303	138,500

Members of the Commission are also classified as related parties. Total honorarium incurred by the Commission for the fiscal year ended March 31, 2018 amounted to \$74,200, which was paid during the year (2017: \$81,200). Board meetings and travel and accommodation expenses incurred during the year amounted to \$5,577 and \$2,994, respectively (2017: \$15,089 and \$5,943).

11. PROFESSIONAL FEES

Professional fees for the fiscal year ended March 31, 2018 is composed of the following:

	2018 \$	2017 \$
Audit fees	5,500	5,500
Outside contract services	4,741	8,550
Accounting fees	3,195	1,200
	13,436	15,250

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main purpose of the Commission’s financial instruments is to fund its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk. These financial risks to which the Commission is exposed to are described below.

Liquidity risk

The Commission seeks to manage its liquidity to be able to finance and cover its operating costs. The Commission maintains its cash to meet its liquidity requirements for up to a 30-day period. Additional short-term funding is obtained from the Government of The Bahamas, when necessary.

Remarks Contd.

(23) closed or successfully resolved cases, and nineteen (19) cold cases, for a total of sixty-one (61). These complaints fell into the following categories:

Financial/Banking (8)  
Law Firm (1)  
Utility (4)  
Marketing/Retail (9)  
Supplies and Equipment (1)  
Jewellery (1)  
Shipping/Courier (8)  
Price/Rent Control (2)      SHOWN IN A GRAPH  
Commercial/Industrial (10)  
Auto (10)  
Appliances (4)  
Funeral (3)  
TOTAL (61)

CPC disposes of its consumer complaints primarily via mediation efforts between the complainant and the provider. This works well in the majority of cases.

Cases are investigated by a case officer; recommendations are forwarded to the Operations and Complaints Committee (a standing committee of the Board), for review and final determination. This committee decides whether a case will be pursued any further, closed, designated cold or whether hearing procedures will be initiated.

The complaints resolution process also involves internal hearings held by a panel of the Board of Commissioners. Our existing legislation is weak in this area in terms of enforcement of the determinations of CPC on behalf of a complainant against a provider. We are aware of this and are pleased that the draft amendments provide for such cases to be referred to a court of law for enforcement. Additionally, the amendments will allow CPC to initiate court action on its own initiative or on behalf of a complainant, all in the interest of enhanced protection for Bahamian consumers.

Scope of Activities

CPC works closely with its sister agencies under its Ministry, namely Price Commission, Consumer Affairs Unit, Bahamas Bureau of Standards and Quality (BBSQ), and other agencies of government and NGOs in the performance of its duties.

Consumer Education is a mandate of CPC. Towards this end, the Consumer Voice, Facebook and other social media are primary consumer education tools of the Commission. Our website is [www.cpcbahamas.org](http://www.cpcbahamas.org)

The website also affords consumers, both local and foreign, the opportunity to lodge online complaints. So as to promote greater inclusion of the Family Islands, CPC recently established desks in both Freeport, Grand Bahama and Marsh Harbour, Abaco. These desks are being manned by Consumer Affairs Unit staff in both islands. It is envisaged that similar desks will be established on all of the major inhabited islands of The Bahamas.

World Consumer Rights Day is celebrated by the international community each year on 15<sup>th</sup> March. CPC, in partnership with its sister agencies coordinates local activities to commemorate the day in The Bahamas with a ceremony at the Mall at Marathon where the Minister spoke on the theme: “Making the Digital World Fairer”.

The Commission also has the responsibility to advise the Minister in terms of policy recommendations as it relates to consumer protection in The Bahamas.

Conclusion

As Chairman I would like to thank the Board of Commissioners and CPC staff for the advancements made in the fulfilment of the mandate of CPC over the past year. I look forward to the enhancement of our enabling legislation as a working tool on behalf of consumers in The Bahamas.

INSIDE COVER

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**7. FIXED ASSETS, net**

Fixed assets as at March 31, 2018 are comprised of the following:

	Office furniture and computer equipment	Leasehold improvements	Total
	\$	\$	\$
<b>Cost:</b>			
Balance at April 1, 2016	9,318	15,000	24,318
Additions	30,299	-	30,299
Balance at March 31, 2017	39,617	15,000	54,617
Additions	-	-	-
Balance at March 31, 2018	39,617	15,000	54,617
<b>Accumulated depreciation and amortization:</b>			
Balance at April 1, 2016	9,318	15,000	24,318
Depreciation and amortization during the year	27,523	-	27,523
Balance at March 31, 2017	36,841	15,000	51,841
Depreciation and amortization during the year	2,776	-	2,776
Balance at March 31, 2018	39,617	15,000	54,617
<b>Net carrying values at March 31, 2018</b>	-	-	-
<b>Net carrying values at March 31, 2017</b>	2,776	-	2,776

**8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses as at March 31, 2018 are comprised of the following:

	2018	2017
	\$	\$
Accounts payable	685	271
Accrued expenses	5,912	5,912
	6,597	6,183

**9. GOVERNMENT GRANTS**

The Government of The Commonwealth of The Bahamas, through the annual budgetary allocation approved by the Parliament, provides substantially all of the funding requirements of the Commission.

The Commission received grants from the Government totaling \$190,303 for the fiscal year ended March 31, 2018 (2017: \$138,500) as funds to be used for its operations.



CONSUMER PROTECTION COMMISSION

Notes to Financial Statements

March 31, 2018

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

Transactions between related parties are based on terms similar to those offered to non-related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Income taxes and Value Added Tax

There are no income taxes imposed on the company in the Commonwealth of The Bahamas. On January 1, 2015, The Value Added Tax (VAT) Bill and Regulations became effective in The Commonwealth of The Bahamas. The Commission is treated as a resident entity and therefore subject to VAT for most taxable transactions. However, the Commission’s revenue from government grants and subsidy is exempt from output VAT and that the Commission operates as statutory body of the Government and its revenue is attributed as a non-business activity and is a not taxable supply and therefore is not required to apply as a VAT - registered entity. The Commission is registered for the purpose of receiving a Tax Identification Number (TIN). Any input VAT the Commission incurs with regards to its vatable purchases of goods and services will be charged and recorded as prepaid input VAT from the Government and recorded as part of prepayments and other assets.

5. CASH

Cash as at March 31, 2018 are comprised of the following:

	2018	2017
	\$	\$
Cash at bank - Royal Bank of Canada	14,010	-
Petty cash fund	500	23
	14,510	23

Cash at bank is non-interest bearing. Bank overdraft with Royal Bank of Canada amounted to Nil as at March 31, 2018 (2017: \$1,404).

6. PREPAYMENTS AND OTHER ASSETS

Prepayments and other assets as at March 31, 2018 are comprised of the following:

	2018	2017
	\$	\$
Prepaid input VAT (Note 10)	7,160	5,445
Other prepayments and assets	803	878
	7,963	6,323

Board of Commissioners

Mr. Philip Beneby	–	Chairman
Ms. Stephanie Ferguson	–	Deputy Chairman
Mr. Anthony Capron	–	Commissioner
Mr. Patrick Ingraham	–	Commissioner
Mr. Raymond Rolle	–	Commissioner
Mr. Michael Thompson	–	Commissioner
Mrs. Thea Paul	–	Commissioner
Mr. Jeff Kerr	–	Commissioner
Mr. Zendal Morley	–	Commissioner
Mr. Zane Lightbourn	–	Commissioner
Mr. Tyrone “Rock” Morris	–	Commissioner



## *CPC Board, Sub-Committees*

The Commission has formed the following committees to assist it in the fulfillment of its mandate to inform and educate consumers of their rights under the law; bring redress to consumer complaints and ensure that consumers are put first in the marketplace.

### **Public Relations & Marketing Committee**

Anthony Capron – Chairman  
Michael Thompson  
(Assisted by)  
Machelle Carroll – Marketing and PR Officer  
Lavade Darling – Research Officer

### **Legal & Regulatory Committee**

Raymond Rolle – Chairman  
Thea Paul – Deputy Chairman

### **Operations and Complaints Committee**

Stephanie Ferguson – Chairman  
Michael Thompson  
Tyrone Morris  
Patrick Ingraham  
(Assisted by)  
Machelle Carroll – Marketing and PR Officer  
Lavade Darling – Research Officer

### **Audit Committee**

Jeff Kerr – Chairman  
Zendal Morley  
Tyrone Morris

### **OFFICE STAFF**

Tia Garland – Office Administrator  
Machelle Carroll – PR & Marketing Officer  
Lavade Darling – Research Officer

## **CONSUMER PROTECTION COMMISSION**

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March 31, 2018

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Impairment of financial assets (continued)**

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

#### **Impairment of non-financial assets**

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment of any assets, or whether there is any indication that an impairment loss previously recognized on an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognized for the asset in prior years.

A reversal of an impairment loss is credited to current operations.

#### **Income**

Income is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognized:

#### **Government grants**

Government grants are recognized when earned and collection is reasonably assured.

#### **Expenses**

Expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date of their origin.



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Notes to Financial Statements

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset or, where applicable, a part of a financial asset or a part of a group of similar financial assets is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Commission retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Commission has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Commission has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Commission’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Commission could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Impairment of financial assets

All financial assets except for those financial assets at fair value through profit or loss are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

*The Consumer Protection Commission:*  
*Role & Function*

Created by legislation (Consumer Protection Act 2006) the Commission’s functions are as follows:

1. To advise the Minister generally in relation to consumer issues;
2. To formulate and implement standards in relation to consumer issues;
3. To carry out, at the request of a consumer who has been adversely affected, such investigations in relation to the sale of goods or the provision of services as will enable it to determine whether the goods were sold or the services were provided in contravention of this Act, and thereafter to make such report and recommendations in connection therewith as it thinks to the Minister;
4. To carry out, on its own initiative, such other investigations in relation to the availability of goods of any class or description as it thinks and make such report and recommendations as it thinks to the Minister;
5. To promote the development of organizations formed for the protection of the consumer;
6. To collect, compile, analyze and publish information in relation to any trade or business;
7. To provide information to consumers on their rights as consumers and any other form of consumer education;
8. To resolve disagreements between consumers and service providers; and
9. To carry out such other functions as the Minister may assign to the Consumer Commission from time to time.

## *The Consumer Protection Commission: Role & Function Contd.*

Many members of the public are unaware that they have rights; rights that they are entitled to under the United Nations Consumer Bill of Rights. These rights are:

1. The right to safety
2. The right to be informed
3. The right to choose
4. The right to be heard
5. The right to satisfaction of basic needs
6. The right to redress
7. The right to consumer education
8. The right to a healthy environment

The Commission is committed to ensuring that every Bahamian is aware of these rights and that their rights are protected by the Commission.

Consumer protection law or consumer law is considered an area of law that regulates private law relationships between individual consumers and the businesses that sell those goods and services. Consumer protection covers a wide range of topics, including but not necessarily limited to product liability, privacy rights, unfair business practices, fraud, misrepresentation, and other consumer/business interactions.

Consumers are invited to bring their market concerns to the attention of the Commission, and we will advise you in the shortest possible time if we can assist or not.

This Commission was established to help you the consumer, and our services are free of charge to you.

We cannot however, address employment or labour issues. Be that as it may we are mandated and can definitely assist consumers in addressing issues with faulty or defective products and/or against misleading or deceptive advertising methods.

We invite the public, civil society and non-governmental organizations (NGOs) concerned with consumer protection, to also partner with us and encourage the establishment of private consumer advocacy groups to assist us in accomplishing our legislative mandate.

## **CONSUMER PROTECTION COMMISSION**

Notes to Financial Statements

March 31, 2018

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial assets**

Financial assets are divided into the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expense is recognized in profit or loss or directly in net assets.

The Commission recognizes all financial assets using trade day accounting. An assessment of whether a financial asset is impaired is made at least at each reporting date.

All income and expenses relating to financial assets are recognized in the statement of comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in profit or loss. Discounting, however, is omitted where the effect of discounting is immaterial.

As at March 31, 2018, the Commission's cash, other receivable and security deposits, which are recorded under prepayments and other assets, fall under this category.

#### **Financial liabilities**

Financial liabilities are recognized when the Commission becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value are included in the statement of comprehensive income.

The Commission's financial liabilities include accounts payable and accrued expenses which are measured at amortized cost using the effective interest method. Discounting, however, is omitted where the effect of discounting is immaterial.



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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Management’s use of judgments and estimates (continued)**

**Estimate**

***Estimation of useful lives of fixed assets***

Useful lives of fixed assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of the fixed assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Any reduction in the estimated useful lives of fixed assets would increase the Commission’s recorded operating expenses and decrease fixed assets.

Net carrying values of fixed assets amounted to Nil as at March 31, 2018 (2017: \$2,776). Depreciation and amortization during the year amounted to \$2,776 (2017: \$27,523).

**Cash**

Cash is comprised of cash at bank and petty cash fund.

**Fixed assets**

Fixed assets are recorded at cost less accumulated depreciation and amortization and are being depreciated on the straight-line basis over the estimated useful life of the assets as follows:

	Year
Office furniture and computer equipment	1
Leasehold improvements	1

Expenses incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the period when the costs are incurred. In a situation where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed assets beyond its originally assessed standard of performance, the expenditures are capitalized as an addition to the cost of fixed assets.

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is credited or charged to operations.



**SUBCOMMITTEE REPORTS**

**Operations and Complaints Committee**

The primary purpose of the Consumer Protection Commission is to bring redress to consumers who have been aggrieved by a service provider in the Commonwealth of The Bahamas.

The OCC, chaired by Deputy Chair Stephanie Ferguson (Ms.) have truly come of age during the past year. Having inherited a case log fraught with many old cases, this committee, along with the Committee Commissioners working together was able to close a number of these cases.

Having cleaned up the log and regained both the confidence and trust of its customers, this committee has been able to effectively dispose of cases dating as far back as 2016. The OCC operates under the mantra that the best publicity for CPC is the ability to effectively and efficiently deal with complaints that are brought before it by members of the general public.

Consumers can lodge a formal complaint with the Commission in person, via our website [www.cpcbahamas.org](http://www.cpcbahamas.org) or on our Facebook page, Consumer Protection Commission Bahamas. We were careful to say consumers and not Bahamian consumers as we have received a number of complaints over the past year from tourists; these complaints have all been made via our website, and online complaints receive the same care and attention as our walk-in customers.

Cognizant of the fact that our Family Island residents deserve the same access to the services of the Commission, CPC established a Freeport Desk in March, 2018. The desk is being manned by the local staff of the Grand Bahama Consumer Affairs Unit. It is our intent to establish similar arrangements in the other islands with the cooperation and assistance of our sister agencies, Price Control Commission and Consumer Affairs Unit.

Prepared by: S. V. Isaacs  
Date: 2018-05-11

Open 10	Closed 19	Cold 10
Complete Figures		
Categories	Total	Percentage Total
Financial/Banking	6	15.4%
Law Firm	1	2.6%
Utility	0	0.0%
Marketing/Retail	4	10.3%
Supplies and Equipment	1	2.6%
Jewelry	1	2.6%
Shipping/Courier	7	17.9%
Price/Rent Control	2	5.1%
Commercial/Industrial	4	10.3%
Auto	8	20.5%
Appliances	2	5.1%
Funeral	3	7.7%
<b>Totals</b>	<b>39</b>	<b>100.0%</b>

STATUS FIGURES BY CATEGORY								
Status	Total	Percentage Total	Status	Total	Percentage Total	Status	Total	Percentage Total
Open	10	25.6%	Closed	19	48.7%	Red	10	25.6%
Categories	Total	Percentage	Categories	Total	Percentage	Categories	Total	Percentage
Financial/Banking	2	20.0%	Financial/Banking	3	15.8%	Financial/Banking	1	10.0%
Law Firm	0	0.0%	Law Firm	1	5.3%	Law Firm	0	0.0%
Utility	0	0.0%	Utility	0	0.0%	Utility	0	0.0%
Marketing/Retail	1	10.0%	Marketing/Retail	3	15.8%	Marketing/Retail	0	0.0%
Supplies and Equipment	0	0.0%	Supplies and Equipment	1	5.3%	Supplies and Equipment	0	0.0%
Jewelry	1	10.0%	Jewelry	0	0.0%	Jewelry	0	0.0%
Shipping/Courier	1	10.0%	Shipping/Courier	5	26.3%	Shipping/Courier	1	10.0%
Price/Rent Control	0	0.0%	Price/Rent Control	2	10.5%	Price/Rent Control	0	0.0%
Commercial/Industrial	1	10.0%	Commercial/Industrial	1	5.3%	Commercial/Industrial	2	20.0%
Auto	3	30.0%	Auto	2	10.5%	Auto	3	30.0%
Appliances	0	0.0%	Appliances	1	5.3%	Appliances	0	0.0%
Funeral	1	10.0%	Funeral	0	0.0%	Funeral	3	30.0%

FIGURES BY SUBMISSION TYPE				
Request Submission Method	Formal		Informal	
	Walk-In	Online	Walk-In	Online
Total	26	8	0	5
Percentage	66.7%	20.5%	0.0%	12.8%

## Notes to Financial Statements

March 31, 2018

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## Presentation of financial statements

The financial statements are presented in accordance with IAS 1, *Presentation of Financial Statements* (Revised 2007). The Commission has elected to present the “Statement of Comprehensive Income” in one statement.

### Management's use of judgments and estimates

The Commission uses accounting estimates and assumptions in the preparation of financial statements. Although these estimates are based on management's best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Commission's financial statements when determinable. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following presents a summary of these significant judgments and estimates:

### Judgment

In the process of applying the Commission's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

*Operating Lease Commitments - Commission as Lessee*

Management exercises judgment in determining whether substantially all the significant risks and rewards of ownership of the leased assets are transferred to the Commission. Lease contracts, which transfer to the Commission substantially the entire significant risks and rewards incidental to ownership of the leased items, are classified as finance leases. Otherwise, they are considered as operating leases.

The Commission occupied an office space with a third party. However, the rental fees to be incurred by the Commission have been waived by the lessor. The Commission determined, based on an evaluation of the terms and conditions of the arrangement, that the lessor retain all the significant risks and rewards of ownership of the property and so accounts for the contract as an operating lease.



**CONSUMER PROTECTION COMMISSION**  
Notes to Financial Statements

March 31, 2018

**3. NEW OR REVISED STANDARDS AND INTERPRETATIONS (continued)**

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Commission (continued)**

**IFRS 9, *Financial Instruments* (continued)**

Management has identified the following areas that are expected to be most impacted by the application of IFRS 9:

- the classification and measurement of the Commission’s financial assets. Management holds most financial assets to hold and collect the associated cash flows and is currently assessing the underlying types of cash flows to classify financial assets correctly; and
- the impairment of financial assets applying the expected credit loss model. This will apply to the Commission’s receivables. For contract assets arising from IFRS 15 and receivables, the Company applies a simplified model of recognizing lifetime expected credit losses as these items do not have a significant financing component.

IFRS 9 is effective for annual reporting period beginning on or after January 1, 2018.

**IFRS 15, *Revenue from Contracts with Customers***

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018. Management started to assess and expects no impact to the Commission’s financial statements as its revenue comes from government grants.

**IFRS 16, *Leases***

IFRS 16 will replace IAS 17, *Leases* and three related Interpretations. It completes the IASB’s long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information.

*Public Relations and Marketing*

CPC Marketing and Public Relations Department continues on an aggressive strategic plan in reaching the Bahamian Consumers. We continue to reach consumers via social media platforms and both Print and Media News, all in our efforts of empowering Consumers through Education and Transparency.

**Educational Awareness Campaign**

**a) Roundabout Campaign**

Distributing handouts and pamphlets at various busy roundabouts and intersections we targeted consumers on their way to work and school . Our focus and objectives were first for consumers to know who we are, what we are about and how to reach us. Secondly, for consumers to know their rights and those they can seek redress. Three roundabout campaigns were completed during the year.

**b) School Educational Awareness Campaign**

Having done the research that teenagers are the number one target and can be susceptible to consumer fraud because of not being informed, CPC decided to target the schools as a part of the educational awareness geared toward teenagers.

An afternoon programme commenced in November, 2017. Students were selected by their Guidance Counselors from various high schools in New Providence, meeting every third Thursday of each month at CPC. During this time the students were engaged in healthy talks regarding consumers, vendors, producers and the work of CPC. During the year, CPC also hosted Temple Christian’s Commerce Class in a forum, which was well received by both students and CPC staff.

**Partnering with the Royal Bahamas Police Force**

During the Christmas holidays CPC partnered with the Royal Bahamas Police Force at the malls and roundabouts in distributing handouts and pamphlets, to assist Consumers with safety and holiday tips. A joint press conference with the Police took place announcing this venture.

**Exhibitions**

CPC participated in an exhibition that was hosted by our sister Commission, Bahamas Bureau of Standards (BBSQ) on Friday, 27<sup>th</sup> October, 2017 at the Baha Mar Resort. A booth of our handouts and brochures were displayed. Consumers were quite engaged and eager to learn about their rights and were happy to know that they have a place to lodge complaints about shoddy merchants and businesses. CPC giveaways were handed out to consumers.

**World Consumer Rights Day 2018**

Every year on 15<sup>th</sup> March, the international community celebrates World Consumer Rights Day (WCRD). This year’s theme, Making Digital Market Places Fairer, picks up where last year’s Building a Digital World Consumers Can Trust, left off. World Consumer Rights Day is an opportunity to promote the basic rights of all consumers, for demanding that those rights are respected and protected, and for highlighting the market abuses and social injustices which undermine them.

Local activities included an Official Opening Ceremony and Exhibition at the Mall at Marathon where the Keynote Speaker was the Minister of National Security, the Hon. Marvin Dames. The exhibition was held March 13<sup>th</sup> – 15<sup>th</sup> in the Food Court of the Mall at Marathon.

Guests came from the Government and Private sectors. Schools were represented and took part in the exhibition displayed.

**Courtesy Call**

CPC will engage with strategic partners to develop a good business working relationship

- A) **URCA**  
CPC Chairman Beneby and Ms. Machel­le Carroll, Public Relations Officer, paid a courtesy call on Chairman Wilchcombe and executives of URCA. URCA is the Utilities Regulation & Competition Authority, with responsibility for the electronic communications sector.
- B) **Bahamas Funeral Directors Association**  
CPC offered assistance and welcomed the entire executive body and members of the newly formed Bahamas Funeral Directors Association to bridge the process for the relevant agencies to convene in order for the appropriate regulatory mechanisms to be established.

**Social Media Platform**

- A) **Facebook**  
Marketing embarked on an aggressive Facebook campaign challenging the CPC Team to invite people to like our page. This was done for three months and during this time CPC gained over 423 new likes for our FB Page. We continue educating our Bahamian Consumers with daily Consumer helpful tips, information and national issues. We use this platform as our main, cost-effective branding tool of advertising.
- B) **Website**  
While CPC website experienced a few challenges during the year, complaints forms can now be downloaded for consumers on our site. We hope to do more engaging on this website in the insuring year.
- C) **Consumer Voice**  
The Consumer Voice celebrated its 5<sup>th</sup> Anniversary during the year. The Consumer Voice Publications date will now be published bi-annually.

**CONSUMER PROTECTION COMMISSION**

Notes to Financial Statements

March 31, 2018

**3. NEW OR REVISED STANDARDS AND INTERPRETATIONS**

**Overall considerations**

The Commission has adopted the following new interpretations, revisions and amendments to IFRS issued by the IASB, which are relevant to and effective for the Commission’s financial statements for the annual period beginning April 1, 2017:

- International Accounting Standard (IAS) 7, *Statements of Cash Flows* Disclosure Initiative (Amendments to IAS 7);
- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12, *Income Taxes*); and
- Annual Improvements to IFRS 2014-2016 Cycle (Amendments to IFRS 1, *First time Adoption of International Financial Reporting Standards*, IFRS 12, *Disclosure of Interest in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures*).

These amendments do not have a significant impact on these financial statements and therefore disclosures have not been made.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Commission**

At the date of authorization of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Commission. Information on those expected to be relevant to the Commission’s financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Commission’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Commission’s financial statements.

**IFRS 9, *Financial Instruments***

The new Standard for financial instruments (IFRS 9) replaces IAS 39, *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an “expected credit loss” model for the impairment of financial assets.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities’ risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.



**CONSUMER PROTECTION COMMISSION**  
Notes to Financial Statements

March 31, 2018

**1. GENERAL INFORMATION AND NATURE OF OPERATIONS**

The Consumer Protection Commission (“the Commission”) is a statutory body having been established in The Commonwealth of The Bahamas, pursuant to the provisions of The Consumer Protection Act of 2006 (“the Act”). The Commission’s sole shareholder is the Government of The Commonwealth of The Bahamas (“the Government”).

The Commission’s functions as mandated by the Act are as follows:

- 1.) To advise the Minister generally in relation to consumer issues;
- 2.) To formulate and implement standards in relation to the consumer protection policy;
- 3.) To carry out, at the request of a consumer who has been adversely affected, such investigations in relation to the sale of goods or the provision of services as will enable it to determine whether the goods were sold or the services were provided in contravention of this Act and thereafter to make such report and recommendations in connection therewith as it thinks fit to the Minister;
- 4.) To carry out, on its own initiative, such other investigations in relation to the availability of goods of any class or description as it thinks fit and make such report and recommendations as it thinks fit to the Minister;
- 5.) To promote the development of organizations formed for the protection of the consumer;
- 6.) To collect, compile, analyze and publish information in relation to any trade or business;
- 7.) To provide information to consumers on their rights as consumers and any other form of consumer education;
- 8.) To resolve disagreements between consumers and providers; and
- 9.) To carry out such other functions as the Minister may assign to the Commission from time to time.

All of the Members of the Commission as at and for the year ended March 31, 2017 demitted office in June 2017. The new Members of the Commission were appointed by the Government in July 2017.

The Commission’s principal place of business is located at Teachers & Salaried Workers Credit Union Building, East Street South, P.O. Box SS6364, Nassau, The Bahamas.

**2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Commission’s financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are expressed in Bahamian dollars (\$), the Commission’s functional currency.

The Commission’s audited financial statements as at and for the fiscal year ended March 31, 2018 were approved and authorized for issue by the Members of the Commission on May 11, 2018.

*Legal and Regulatory*

The Commission’s enabling legislation, Consumer Protection Act (2006), has not been amended or upgraded since its assent. The Legal and Regulatory Committee has been working closely with the Office of the Attorney General in fine tuning the Consumer Protection (Amendment) Bill, 2018.

A part of this process also entails review of a preliminary draft of the Consumer Protection (Rights of Consumers) Regulations, 2017. It is noteworthy that Regulations never accompanied the original Act of 2006.

The Amendment Bill and Regulations will go a long way in giving the Commission more teeth to represent and protect the interest of Bahamian consumers.

*Audit and Finance Committee*

The Audit and Finance Committee is spearheaded by Mr. Jeffrey Kerr, who ensures that the audit, bank reconciliation, and other financial matters are attended to in a professional manner at all times.

*CPC Board Commission*  
*2017-2018*



**CONSUMER PROTECTION COMMISSION**

Statement of Cash Flows  
(Expressed in Bahamian dollars)

Fiscal year ended March 31, 2018

	Notes	2018 \$	2017 \$
<b>CASH PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Total comprehensive income (loss) for the year		14,341	(80,681)
Adjustments for:			
Depreciation and amortization	7	2,776	27,523
Changes in operating assets and liabilities:			
Increase in prepayments and other assets		( 1,640)	( 3,848)
Increase (decrease) in accounts payable and accrued expenses		414	( 1,879)
Net cash provided by (used in) operating activities		15,891	(58,885)
<b>FINANCING ACTIVITY</b>			
Purchases of fixed assets	7	-	(30,299)
<b>NET INCREASE (DECREASE) IN CASH</b>		15,891	(89,184)
Cash, beginning of the year		( 1,381)	87,803
<b>CASH, END OF THE YEAR</b>	<b>5, 12</b>	14,510	( 1,381)
Cash is represented by:			
Cash	<b>5, 12</b>	14,510	23
Bank overdraft	<b>5, 12</b>	-	( 1,404)
		14,510	( 1,381)

See accompanying notes. Independent Auditors' Report pages 1 through 3.



CONSUMER PROTECTION COMMISSION

Statement of Changes in Net Assets  
(Expressed in Bahamian dollars)

Fiscal year ended March 31, 2018

	2018	2017
	\$	\$
BAHAMAS GOVERNMENT NET ASSETS, BEGINNING OF THE YEAR	1,535	82,216
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	14,341	(80,681)
BAHAMAS GOVERNMENT NET ASSETS, END OF THE YEAR	15,876	1,535

See accompanying notes. Independent Auditors' Report pages 1 through 3.

*CPC's Hardworking Staff*  
2017-2018





*CPC Highlights*  
*2017-2018*



**CONSUMER PROTECTION COMMISSION**

Statement of Comprehensive Income  
(Expressed in Bahamian dollars)

Fiscal year ended March 31, 2018

	Notes	2018 \$	2017 \$
<b>REVENUE</b>			
Government grants	9, 10	190,303	138,500
<b>EXPENSES</b>			
Commission members' honorariums	10	74,200	81,200
Payroll and related benefits		51,974	41,328
Professional fees	11	13,436	15,250
Marketing and research		7,762	-
Utilities		6,599	6,372
Board meetings	10	5,577	15,089
Office supplies		5,473	14,947
Repairs and maintenance		3,060	7,346
Travel and accommodation	10	2,994	5,943
Depreciation and amortization	7	2,776	27,523
Bank charges		893	1,183
License and registration		385	-
Donations		346	1,050
Others		246	-
Training		241	1,950
		175,962	219,181
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		14,341	( 80,681)

See accompanying notes. Independent Auditors' Report pages 1 through 3.



CONSUMER PROTECTION COMMISSION

Statement of Financial Position  
(Expressed in Bahamian dollars)

March 31, 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	5, 12	14,510	23
Prepayments and other assets	6, 10, 12	7,963	6,323
		22,473	6,346
<b>NON-CURRENT ASSET</b>			
Fixed assets, net	7	-	2,776
<b>TOTAL ASSETS</b>		22,473	9,122
<b>LIABILITY AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft	5, 12	-	1,404
Accounts payable and accrued expenses	8, 12	6,597	6,183
		6,597	7,587
<b>BAHAMAS GOVERNMENT NET ASSETS</b>		15,876	1,535
<b>TOTAL LIABILITY AND NET ASSETS</b>		22,473	9,122

These financial statements were approved on behalf of the Board of Directors on May 11, 2018 by the following:

  
Chairman

  
Audit Committee - Chair

See accompanying notes. Independent Auditors' Report pages 1 through 3.

World Consumer Rights  
2018





## *Education Awareness Campaign 2017-2018*



To the Members of  
**CONSUMER PROTECTION COMMISSION**

### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

*Grant Thornton*  
**CHARTERED ACCOUNTANTS**

May 11, 2018

Nassau, The Bahamas

Chartered Accountants  
Member of Grant Thornton International Ltd



To the Members of  
**CONSUMER PROTECTION COMMISSION**

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Audited Financial Statements

**CONSUMER PROTECTION COMMISSION**

March 31, 2018

**CONSUMER PROTECTION COMMISSION**  
Audited Financial Statements

March 31, 2018

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**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**CONSUMER PROTECTION COMMISSION**

**Opinion**

We have audited the accompanying financial statements of Consumer Protection Commission ("the Commission"), which comprise the statement of financial position as at March 31, 2018, and the statements of comprehensive income, changes in net assets and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Consumer Protection Commission as at March 31, 2018, and its financial performance and its cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.